

# Liquidnet Japan Public Disclosure

## Disclosure Item

## Liquidnet Japan Information

(a) Company Summary Name: Liquidnet Japan Inc. (“Liquidnet Japan”)  
Address: Akasaka Tameike Tower 4F, 2-17-7 Akasaka Minato-ku, Tokyo, 107-0052  
Japan Registration number: No.198 (FIBO)

(b) Trading participants and participation criteria

Participant categories for trading on Liquidnet Japan Trading System are:

- (1) Members;
- (2) Trading desk customers; and
- (3) Liquidity Partners

A “Member” of Liquidnet Japan must be a buy-side institutional investor with total equity assets or total equity assets under management of US\$100 million or more. A Member must have an OMS with which Liquidnet Japan can interface. Once the OMS has been integrated, a Member can gain access to Liquidnet Japan Trading System by transmitting “indications” from their Order Management System (OMS) and manage those indications through the Liquidnet desktop application, which is installed at one or more trader desktops at the Member firm. Indications can be transmitted through a periodic sweep, FIX transmission or another method agreed among Liquidnet, the Member and the OMS vendor, as applicable.

A “Trading desk customer” of Liquidnet Japan must be an institutional investor, a securities dealer that is a transition manager or an outsourced trading desk. A Trading desk customer can gain access to Liquidnet Japan Trading System by placing instructions to Liquidnet via telephone, email, or other electronic means. As such customers will not have access to the Liquidnet desktop application, they cannot directly negotiate on the Liquidnet Japan Trading System.

A “Liquidity Partner” of Liquidnet Japan must be a broker. A Liquidity Partner can gain access to Liquidnet Japan Trading system by placing principal or agency orders to Liquidnet desk via telephone, email, or other electronic means. As Liquidity Partners will not have access to the Liquidnet desktop application, they cannot directly negotiate on Liquidnet Japan Trading System.

A Member can also be a Trading desk customer when it places instructions to Liquidnet instead of using the Liquidnet desktop application.

Members and Trading desk customers can choose whether to interact with Liquidity Partners.



Liquidnet Japan and its affiliates do not engage in proprietary trading and there are no proprietary orders in the Liquidnet Japan Trading System.

A participant of Liquidnet Japan must:

- comply with Liquidnet's Trading Rules
- satisfy credit and legal criteria as Liquidnet Japan or, where relevant, its clearing broker may establish from time to time. This includes compliance with Liquidnet Japan's customer identification and other anti-money laundering procedures
- comply with all legal and regulatory requirements, including trading activities in compliance with market rules.

Liquidnet Japan may refuse or terminate participation on the basis of the above criteria or based on an inadequate level of system usage.

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(c) Other Information    Indications transmitted to Liquidnet Japan are only matched within the Liquidnet Japan Trading System. However, participants can provide instructions for an order to trade outside the Liquidnet Japan Trading System on an order-by-order basis or by giving standing instructions to Liquidnet.

Executions in Liquidnet Japan Trading System occurs at the mid-price of the current market price unless a participant explicitly agrees a price other than the mid-price. The market price at the time an order is routed does not necessarily guarantee a favorable price at the time of execution.

Liquidnet Japan will not execute any transaction that are on terms unfavorable to the participant unless Liquidnet Japan is acting in accordance with the specific instruction of the participant.